



Massachusetts Bankers Association 2021-2022 Legislative Program

February 19, 2021

“MINI” MODERNIZATION BILL: An Act amending the banking laws and related statutes

Sponsor: Rep. Daniel Cahill (D-Lynn)

Docket #: HD 3235

Bill #:

Committee:

Latest Action: Filed on February 18, 2021.

This legislation addresses several issues in its 19 sections. Among the bill’s provisions are:

- Changes to the state’s public deposits statutes, including authorizing the use of collateralized deposits or insured cash sweep programs for public funds;
- Updates to the Commonwealth’s “Use of Bank Name” statute to reflect changes in technology and customer communications;
- Language codifying the authority of the Commissioner of Banks to allow state-chartered institutions to hold virtual annual meetings during a state of emergency;
- Provisions implementing the Uniform Real Property Electronic Recording Act (URPERA) to facilitate electronic lending in the Commonwealth;
- Technical changes to the Limited Purpose Trust Company statute;
- Provisions streamlining the Commonwealth’s High-Cost Loan statute to reflect changes in federal law and the regulations of the federal Consumer Financial Protection Bureau (CFPB); and
- Provisions prohibiting core processors from including excessive penalties in service contracts.

CREDIT UNION FIELD OF MEMBERSHIP & MISSION: An Act enhancing the mission of credit unions and promoting fair competition among financial institutions

Sponsor: Rep. Frank Moran (D-Lawrence)

Docket #: HD 2455

Bill #:

Committee:

Latest Action: Filed on February 17, 2021.

Over the last several years, Massachusetts credit unions have expanded their powers through changes to state law and federal regulation. In particular, the National Credit Union Administration’s (NCUA) expansive rulemakings regarding membership, business lending and the low-income designation have encouraged many credit unions to move away from their core mission as member-driven institutions serving individuals of modest means.

The proposed legislation contains four (4) sections and includes language from H 1065 from the 2019-2020 legislative session that establishes new requirements for credit union membership by-law amendments. Specifically, the membership vote is increased from a majority to three-quarters and at least five percent of the credit union's total membership must participate in the vote. In addition, in most cases membership by-law amendments must be considered at a credit union's annual meeting.

To facilitate greater member participation in these votes, the bill also mandates that all state-chartered credit unions with more than 25,000 members provide the option for members to vote by electronic means at any special or annual meeting. The bill also refocuses state-chartered credit unions on their traditional mission by enhancing the Community Reinvestment Act (CRA) statute for credit unions and explicitly tying CRA performance to expanded interstate branching powers.

BANK MODERNIZATION TECHNICAL CORRECTIONS: An Act making changes to certain references in the banking laws of the Commonwealth

Sponsor: Rep. John Lawn (D-Watertown)

Docket #: HD 1934

Bill #:

Committee:

Latest Action: Filed on February 15, 2021.

This legislation updates other existing provisions of the General Laws to reflect the proper cites of statutory cross references in the revised banking laws after the enactment of Chapter 482 of the Acts of 2014. Other technical updates and corrections to the General Laws are also included in the bill.

RESTRICTING PATENT TROLLS: An Act to protect innovation and entrepreneurship in the Commonwealth

Sponsor: Sen. Eric Lesser (D-Longmeadow)/Rep. Lori Ehrlich (D-Marblehead)

Docket #: SD 1629/HD 925

Bill #:

Committee:

Latest Action: SD 1629 filed on February 18, 2021. HD 925 filed on January 29, 2021.

The proposed legislation creates a new Chapter 93L, Bad Faith Assertions of Patent Infringement that establishes a private right of action for Massachusetts businesses against patent trolls. The legislation defines a broad range of assertions of patent infringement and creates standards by which the assertion of patent infringement could be found to be in bad faith. These include demand letters that do not include necessary information; the letter requests the payment of a license fee or response within an unreasonably short period of time; or the offers to license the patent for an amount that is not based on a reasonable estimate of the value of the license, among others. The Attorney General is also given enforcement authority for the new Chapter.

BANK ROBBERIES AND CHECK FRAUD: An Act enhancing the safety of bank customers and employees

Sponsors: Sen. Michael Rush (D-West Roxbury) and Rep. Paul Tucker (D-Salem)

Docket #: SD 541/HD 2143

Bill #:

Committee:

Latest Action: SD 541 filed on February 2, 2021. HD 2143 filed on February 16, 2021.

Establishes new definitions of and increases certain penalties for crimes against banks, including bank robberies, passing fraudulent checks and debit card transactions. This bill expands the definition of bank robbery under Chapter 265 to include note passers. The bill also facilitates the consolidation of check fraud that occurs in multiple court jurisdictions to a single jurisdiction.

DATA SECURITY STANDARDS: An Act relative to the security of personal financial information

Sponsor: Rep. Michael Day (D-Stoneham)

Docket #: HD 871

Bill #:

Committee:

Latest Action: Filed on January 28, 2021.

This bill imposes strong data security standards modeled on the Gramm-Leach-Bliley data security requirements that banks and other financial firms must adhere to on non-financial entities that use or store sensitive personal financial information. The legislation also deletes the language in Massachusetts law, (Chapter 93 H) that currently prohibits a bank from informing its customers of the nature of the breach who caused the breach or the number of residents affected.

RUFADAA: Revised Uniform Access to Digital Assets Act

Sponsor: Sen. Barry Finegold (D-Andover) and Rep. Jay Livingstone (D-Boston)

Docket #: SD 1954/HD 289

Bill #:

Committee:

Latest Action: SD 1954 filed on February 18, 2021. HD 289 filed on January 19, 2021.

The Revised Uniform Fiduciary Access to Digital Assets Act (RUFADAA) governs access to a person's online accounts when the account owner dies or can no longer manage the account. Under the legislation, the powers of a fiduciary, such as the executors of a decedent's estate, trustees, conservators, and agents under a power of attorney, are extended to include management of digital assets. Specifically, the bill allows fiduciaries to manage digital property like computer files, web domains, and virtual currency, but restricts a fiduciary's access to electronic communications such as email, text messages, and social media accounts unless the original user consented to fiduciary access in a will, trust, power of attorney, or other record. More than 40 other states have adopted RUFADAA.